



14 September 2015

Dear Colleague,

**CONSULTATION ON REGULATORY ARRANGEMENTS TO SUPPORT CIRCUMSTANCES WHERE A NON-DCC USER SUPPLIER BECOMES THE SUPPLIER FOR A CUSTOMER WITH A DCC ENROLLED SMART METERING SYSTEM (USER SUPPLIER TO NON-USER SUPPLIER CHURN)**

The Government is seeking views on its proposal that a Non-Gateway Interface (NGI) should no longer be built to support circumstances of User supplier to non-User supplier churn.

User supplier to non-User supplier churn will take place when a consumer with a DCC-enrolled SMETS2 Metering System switches to a supplier that is not yet a DCC User. It would, therefore, cease to occur once all suppliers have become DCC Users. In the interim, and without a NGI solution, there would be no mechanism for Smart Metering Key Infrastructure (SMKI) certificates on the SMETS2 Metering System to be updated to those of the non-User supplier upon churn. As a consequence, despite certain obligations protecting against this (see below), the outgoing User supplier would be able to successfully send critical service requests to, and receive alerts from, the meter despite no longer being the responsible supplier for that meter.

The Government's June 2014 Response to the 'Response and Further Consultation on the Regulatory Arrangements for Enrolment and Adoption of Foundation Meters & Consultation on the Arrangements to Support Churn of an Enrolled Smart Metering System from a DCC User to a non-User' concluded that DCC should provide an interface (the NGI) for updating SMKI certificates and that non-User suppliers would be obligated to ensure that their SMKI certificates are placed on the SMETS2 Metering System upon User supplier to non-User supplier churn<sup>1</sup>. This consultation also concluded that supplementary obligations would apply to non-User suppliers to obtain SMKI certificates and a User ID. In addition, the consultation detailed the requirement for the DCC to set

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<sup>1</sup> Response and Further Consultation on the Regulatory Arrangements for Enrolment and Adoption of Foundation Meters & Consultation on the Arrangements to Support Churn of an Enrolled Smart Metering System from a DCC User to a non-User, June 2014.

out how non-User suppliers should use the interface in a NGI Specification (NGIS) subsidiary document.

In arriving at these conclusions, DECC noted that the scale of User supplier to non-User supplier churn was expected to be relatively limited and that the solution was expected to be low-cost and straightforward for the DCC to build and operate, and for non-User suppliers to use. On this basis, it was considered a proportionate solution. DECC subsequently concluded upon, and in some instances designated, SEC content to give legal effect to these conclusions, and the DCC has also separately consulted upon the NGI Specification and submitted it to DECC for designation<sup>2</sup>.

There have, however, recently been significant regulatory and operational developments. Conclusions in the Rollout Strategy Response that large suppliers will be required to become DCC Users prior to February 2017 in order to enrol a minimum number of SMETS2 Metering Systems into the DCC by that date, and small suppliers are required to become DCC Users by August 2017, will limit the period of time over which User supplier to non-User supplier churn can take place, meaning that it should be even more limited than originally anticipated<sup>3</sup>. In addition, the DCC has recently provided a more detailed cost assessment which found that the NGI will cost approximately £6m (VAT exclusive) over its operational lifetime, and is unlikely to be ready for a non-contingent DCC Live date of April 2016. In light of these developments, DECC no longer considers the NGI to offer sufficient value for money to be an appropriate solution, and has directed the DCC to suspend further development effort on the NGI solution. Instead, the government's view is that the outgoing User supplier's SMKI credentials should remain on the SMETS2 Metering System until the new non-User supplier has become a User. It should be noted that a User supplier is prohibited from sending service requests to a Smart Metering System unless it is the eligible User, and will need to manage alerts from churned SMETS2 Metering Systems in line with their data protection obligations<sup>4</sup>. These obligations should limit the risk of service requests being incorrectly sent by an outgoing supplier to a churned device.

Our intention therefore is to amend the SEC and subsidiary documents to remove NGI-related requirements. These will include:

- Section O: Non-Gateway Communications will no longer be required so will not be designated;
- Section X.9: Non-Gateway Interface Specification will be deleted;
- Section A: Definitions and Interpretation – references to the NGI and associated terms will be deleted;

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<sup>2</sup> The most recent DECC conclusions on the NGI are set-out in the March 2015 Government Response to parts of the previous consultations on: Stage 4 Smart Energy Code (SEC) (June 2014), Additional SEC Content consulted on as part of the SEC 4 Part A response (November 2014) and January 2015 SEC Consultation. The DCC consultation on the NGIS can be found at <https://www.smartdcc.co.uk/consultations/dcc-consultations/non-gateway-interface-specification-ngis/>

<sup>3</sup> Government response to the Smart Metering Rollout Strategy Consultation; July 2015. The stated dates for the introduction of obligations that have the effect of requiring Suppliers to become DCC Users may change in the event that DCC Live is after the central planning assumption of August 2016.

<sup>4</sup> See H3.6 in the Smart Energy Code at [www.smartenergycodecompany.co.uk](http://www.smartenergycodecompany.co.uk) - "A User shall not send a service request in respect of a Smart Metering System (or a Device forming, or to form, part of a Smart Metering System) unless it is an Eligible User for that Service and Smart Metering System".

- References to the NGI and associated terms will be deleted from the following SEC Sections:
  - Section D: Modification Process (including D1.7(m), D3.9(c), D6.9(b) and D7.3(f);
  - Section G: Security (including G2.21);
  - Section H: DCC Services (including H9.1(m), H9.2(e), H14.1(f), H14.8, H14.9 and H14.36);
  - Section M: General (including M10.1(e));
  - Section N: SMETS1 Meters (including N4.10 and N4.11);
  - Section T: Testing During Transition (including T3.1, T3.2, T4.24 and T3.25(C);
  - Section X3: Provisions To Become Effective Following Designation (including X3.2 (f) (iii) (D));
- The Non-Gateway Interface Specification subsidiary document will not be designated;
- References to the NGI and associated terms will be deleted from the following subsidiary documents: Service Request Processing Document; SMKI Registration Authority Policies and Procedures; Infrastructure Key Infrastructure Certificate Policy and Incident Management Policy
- Further modifications may be required to SEC sections or subsidiary documents that have not been identified in this list.

## Next Steps

I should be grateful if you could respond, by **1700 on Monday 05 October**, setting out whether you agree with the Governments proposals in relation to User supplier to non-User supplier churn, in particular on:

- The proposed removal of requirements for the DCC to provide a NGI which would have enabled non-User Suppliers to use this service to place their SMKI certificates on DCC enrolled Smart Metering Systems. In so doing, the outgoing User supplier's SMKI credentials will remain on the device until churned to a User supplier.
- The identified amendments to the SEC and subsidiary documents;

DECC proposes to conclude upon and lay SEC amendments in Autumn 2015 in order to give effect to this proposal in line with the SEC changes identified above.

Whilst any final decision to remove the requirements relating to the NGI will be dependent upon the outcome of this consultation, it is clearly appropriate for any suppliers that had intended to use the NGI to cease any related development work.

Comments should be emailed to:  
[smartmetering@decc.gsi.gov.uk](mailto:smartmetering@decc.gsi.gov.uk)

or addressed to:

Smart Metering Implementation Programme – Regulation, Department of Energy & Climate Change, 3 Whitehall Place, London SW1A 2AW

If you want information that you provide to be treated as confidential please say so clearly in writing when you send your response to the consultation. It would be helpful if you could explain to us why you regard the information you have provided as confidential. Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information legislation (primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004). If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request. We will summarise all responses and place this summary on the GOV.UK website. This summary will include a list of names or organisations that responded but not people's personal names, addresses or other contact details.



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DECC Delivery

DECC Smart Metering Implementation Programme (SMIP)